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SENSITIVE SIPDIS

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SUBJECT: SERBIA: MEDIA LAW THREATENS COALITION STABILITY

REF: BELGRADE 511

Summary

 $\P 1$. (SBU) The Serbian Assembly recessed for August on July 30, just one day before it was to vote on a slate of laws, including the controversial Information Law written by G-17 Plus. Government officials confirmed to us that the recess was the result of an agreement to postpone a showdown between G-17 Plus, which had threatened to walk out of the government if the law did not pass, and the Socialist Party of Serbia, which insisted it would not vote for the "Milosevic-era" law. Two journalists' associations, among others, have criticized the law for posing onerous fines for "slander," which is poorly defined in the bill. While the government has averted a crisis for the time being, when the Assembly resumes on August 31, it will still have to deal with an issue that threatens to bring down the current ruling coalition. Although the government continues to operate in a state of confusion, the chaos is preferable to the alternative - a government including the nationalist Serbian Progressive Party. The government and the Liberal Democratic Party, which brokered the agreement, seem to have worked hard to avoid that possibility. While the situation may seem untenable, new elections remain unlikely in the near term. Serbia's insatiable appetite for drama and tolerance for chaos make eruptions such as the information law crisis more the rule than the exception. In the end, the specter of Nikolic and his Progressives (backed by Serbia's Nosferatu former Prime Minister Vojislav Kostunica) ended up reinforcing the coalition's resolve to not dissolve. End Summary.

National Assembly Ends Session without Voting

- $\P 2$. (U) The National Assembly, which has spent the last few weeks, including weekends, debating 24 laws which were to be voted on July 31, instead adjourned July 30, postponing the votes until August 31. Assembly Speaker Slavica Djukic-Dejanovic (Socialist Party of Serbia - SPS) told the press on July 31 that she called the recess because the MPs had been working hard and needed a holiday. Media, however, speculated that the vote was postponed in order to avoid a confrontation over the controversial Information Law, since coalition members G-17 Plus and SPS were at odds over the law. While Djukic-Dejanovic publicly denied this, observers noted that coalition member G-17 Plus had threatened to walk out of the government if the law were not passed whereas fellow coalition member SPS insisted it would not vote for the law. G-17 Plus issued a public statement July 31 denying it had made such a threat and accusing the SPS of trying to destabilize the government by postponing the vote on the 24 laws.
- 13. (SBU) Government ministers confirmed for us privately that the Information Law had shaken the government coalition. Labor Minister and Sandzak Democratic Party (SDP) president Rasim Ljajic (protect)

told the Charge July 31 that the government almost fell over the Information Law, since G-17 Plus head Mladjan Dinkic insisted on the law. Ljajic said that, had the government collapsed, new elections would most likely have brought the Serbian Progressive Party (SNS) into the government, judging by the party's success in recent municipal elections (reftel), which would have been a disaster. SPS head Ivica Dacic also told the Charge July 31 that the dispute over the Information Law had caused instability in the government. Dinkic, who wrote the bill, had insisted that SPS vote for it, and SPS was willing to abstain in order to achieve a quorum and not vote against the law but would go no further, according to Dacic. Dacic said opposition Liberal Democratic Party (LDP) had stepped in to mediate the dispute July 30 and had suggested to the Democratic Party and G-17 Plus that the Assembly recess in order to prevent the government from falling, although Dinkic had initially resisted the suggestion. Dacic also said new elections at this time would have been a mistake because SNS would then have a role the next government.

Critics: Law Resembles Milosevic-Era Law

14. (SBU) Critics, including the Independent Journalists' Association of Serbia (NUNS) and the Journalists' Association of Serbia (UNS) criticized the law for including extremely high fines for slander and for requiring media outlets to keep a large reserve for the payment of future fines. These requirements would be difficult or impossible for smaller media outlets and put any outlet out of business if it received fines. Furthermore, the law loosely defined slander, meaning journalists would have no idea what kinds of statements would result in fines. Critics noted that the law would not meet European

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Union standards as drafted and would have to be amended during the accession process. While proponents of the law said it was needed to keep the tabloid press from publishing false stories, including stories naming the minor children of public individuals, critics compared the bill to the Milosevic-era information law. Dacic, who was Milosevic's spokesman in 1990s, was emphatic that SPS would not vote for the law, saying, "not even a firing squad could have made me vote for that law," Dacic said, "I lived through a law like that during Milosvic and we will never return to that dark place, I will never do that again."

What Happens Next

15. (U) How the Assembly will proceed with the Information Law after the August recess is unclear. Suzana Grubjesic from G-17 Plus told media that the Assembly would pass the Information Law in its current form when it reconvened August 31, per the agreement with DS and LDP. LDP MP Zoran Ostojic made a statement July 30 that LDP wanted to consult journalist associations, the Council of Europe, and the EU on possible amendments to the law. DS made similar references to possible amendments before a vote. SNS deputy head Aleksandar Vucic said it was clear the government had no idea what it would do, that the government was falling apart, and therefore there should be new elections.

Comment

16. (SBU) The government's current fumbling of the Information Law highlights the fragility of the governing coalition. The only party who would gain from the fall of the current government would be Nikolic's SNS, and ultimately their allies, former Prime Minsiter Vojislav Kostunica and his Democratic Party of Serbia (DSS). That said, some in Tadic's DS appear willing to consider risking the possible consequences of an election in the middle of the economic crisis in an effort to simplify the coalition politics of the existing fourteen member coalition. With tolerance for chaos a lifestyle for Serbian politicians, the drama surrounding this episode may become the norm for remaining three years of the coalition's mandate. Further deterioration of the economic environment may further complicate the Assembly's work by the time it reconvenes, a factor that could either make it more difficult to push the law

through or could lead to its passage being ignored while citizens focus on their lack of well-being. End Comment. BRUSH